

## Message Text

SECRET

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DRAFTED BY EA/VN:RHWENZEL:BK

APPROVED BY THE DEPUTY SECRETARY

EA - MR. HABIB

CIA - MR. SHACKLEY

AID - MR. MURPHY

S/S:REWOODS

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R 1;;943Z NOV 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

S E C R E T STATE 253491

EXDIS

E.O. 11652: GDS

TAGS: PBOR, VS

SUBJECT: AIR AMERICA DIVESTITURE

FOR AMBASSADOR FROM THE DEPUTY SECRETARY

REF: A. STATE 241315; B. SAIGON 13858

1. I HAVE ONCE AGAIN REVIEWED WITH ALL CONCERNED THE MATTER OF THE AIR AMERICA DIVESTITURE AND THE FOLLOW-ON CONTRACT FOR MISSION AIR SERVICES IN VIET-NAM. I HAVE ALSO CONSIDERED CAREFULLY THE VIEWS YOU HAVE PROVIDED ON THE SUBJECT. I HAVE CONCLUDED THAT THE SOLUTION WHICH WOULD BEST SERVE THE VARIOUS ASPECTS OF U. S. INTEREST INVOLVES (A) LETTING THE CURRENT AIR AMERICA CONTRACT RUN ITS COURSE THROUGH JUNE 30, 1975; AND (B) PREPARING NOW TO OPEN THE AIR SERVICES CONTRACT TO COMPETITIVE BIDDING (RFP) FOR FY 1976. THIS LATTER POSSIBILITY WAS CLEARLY ENVISAGED IN MY MEMORANDUM TO THE AID DEPUTY ADMINISTRATOR

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OF SEPTEMBER 11, WHICH YOU APPROVED, AND NOW THAT IT AP-  
PEARS POSSIBLE TO COMPLETE THE AIR AMERICA CONTRACT FOR FY  
1975, THE URGENT NEED TO NOVATE TO ENSURE CONTINUING AIR  
SERVICES NO LONGER EXISTS. HOWEVER, WE SHOULD BEGIN NOW  
TO PREPARE FOR FY 1976. CONSEQUENTLY, I AM INSTRUCTING  
AID, WORKING TOGETHER WITH CIA, TO PROCEED WITH AN RFP AT  
THE EARLIEST POSSIBLE DATE FOR THE FY 1976 CONTRACT.

2. AS NOTED IN PARA 2(C)(2) OF REF A, THE RFP WILL IN-  
CLUDE A PROVISION WHEREBY THE BIDDING CONTRACTORS MUST  
FURNISH EVIDENCE OF THEIR ABILITY TO OBTAIN AIR RIGHTS,  
ETC. YOU MAY BE ASSURED THAT WE WILL REQUIRE THAT SUCH  
EVIDENCE BE AUTHORITATIVE. THIS SHOULD SATISFY ANY DE-  
SIRE OF THE GVN TO HAVE A DETERMINING VOICE IN WHO FLIES  
IN ITS AIR SPACE.

3. IN THIS CONNECTION IT IS IMPORTANT THAT THE MISSION  
CONCLUDE SUCCESSFULLY THE PENDING NEGOTIATIONS WITH THE  
GVN FOR A MASTER FACILITIES LEASE IF THIS HAS NOT ALREADY  
BEEN DONE.

4. PRIOR TO A FINAL CONTRACT AWARD WE WILL, OF COURSE,  
REVIEW THE PENDING AWARD, IN CONJUNCTION WITH THE EMBASSY,  
TO SATISFY OURSELVES THAT ALL NECESSARY REQUIREMENTS HAVE  
BEEN MET AS FAR AS BOTH U. S. AND GVN NEEDS ARE CONCERNED.

5. THE GVN SHOULD THEREFORE BE INFORMED THAT AIR AMERICA  
WILL CONTINUE ITS SERVICES THROUGH JUNE 30, 1975, AND OF  
OUR PLAN TO OPEN THE FOLLOW-ON CONTRACT TO COMPETITIVE  
BIDDING AMONG U. S. COMPANIES WITH GVN AUTHORIZATION TO  
OPERATE IN SVN. KISSINGER

SECRET

NNN

\*\*\* Current Handling Restrictions \*\*\* EXDIS

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